

**25—2.7(175) Application procedures—beginning farmers.**

**2.7(1)** The agricultural development authority shall give public notice of the application period, application procedures, and participating lenders, as soon as possible after the initial lender application deadline.

**2.7(2)** Beginning farmers may apply to participating lenders during the application period, defined as the period between the starting and ending dates and times set out in the letter of instructions accompanying the program summary.

All applications will be taken and processed on a first-come, first-served basis. Applications approved for funding, subject to sale of the agricultural development authority bonds, will be given priority by the lender on a first-come, first-served basis.

An application shall expire if it is subsequently denied any applicable guarantee or insurance or is rejected by the lender or the authority as unqualified. An application shall lose its priority if it is not funded by the authority within the number of days following the issuance of the authority's bonds issued to fund the loan determined by the authority as a reasonable period of time to deliver the loans. In any of these events, the participating lender's commitment (to the extent available) shall be allocated to the next qualified applicant of the original applications, if any, and any subsequent applicants, if any, to the extent permitted by law, on a first-come, first-served basis.

The authority may deviate from the first-come, first-served rule to the extent necessary to (a) comply with federal income tax laws and regulations, or (b) fully utilize the proceeds of any series of bonds or allocations of bond proceeds to participating lenders.

**2.7(3)** Applications will be made on customary and appropriate forms approved by the authority. Each application must include the following: applicant name, address and credit data; description of anticipated use of beginning farmer loan proceeds; amount of loan and applicant down payment (if any); the agricultural development authority net worth compliance; application for FmHA commitment (if applicable); last two years' federal income tax returns.

**2.7(4)** Each participating lender shall, within one year of the date of issuance of the bonds from which the agricultural development authority loan is made, have originated and disbursed all of the loan proceeds to beginning farmers. Failure to comply will result, at a minimum, in forfeiture of any commitment fees and loss of the unused agricultural development authority commitment.